

# Connecticut General Assembly

## OFFICE OF FISCAL ANALYSIS

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August 9, 2011

TO: Rep. Lawrence Cafero

FROM: Alan Calandro, Director

SUBJECT: Updated Savings Analysis of SEBAC Agreement

You asked for an updated analysis of the savings estimates contained in the second SEBAC agreement. We had provided an analysis on June 6, 2011 to you of the first SEBAC agreement.

Please see the attached spreadsheet for an itemized analysis of each provision in the agreement currently before union members. Note that in certain areas we are still pursuing additional information, clarification or data from other sources. Therefore the table represents our best available information and assumptions at this time. Given that the revised SEBAC agreement is still based on annualized savings figures, in certain instances, these savings may be reduced due to the delay in potential ratification. Finally, it is our understanding that the agreement's savings figures were estimated individually during negotiations. In keeping with this approach, our analysis determined achievability of these savings on an individual basis. Therefore it is possible that savings for interrelated provisions may not be cumulative.

Please note that OFA does not employ any actuarial staff and does not have the ability to conduct actuarial analyses. Our analysis is based on a review of the information available to us as it relates to this agreement and as information has been presented related to other concepts.

I hope you find this information useful. We are also in the process of finalizing a formal memo on the SEBAC agreement which will elaborate on our analysis methods as well as areas of concern. Feel free to contact me with any additional questions.